

Senate Bill No. 1322

CHAPTER 554

An act to amend Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, and 69751 of, and to repeal and add Section 69751.3 of, the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

[Approved by Governor September 16, 2004. Filed
with Secretary of State September 16, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1322, Denham. Veterans: student financial aid.

(1) Existing law, until January 1, 2007, grants to qualifying members of the National Guard, the State Military Reserve, and the Naval Militia an entitlement to academic leave when active duty, as defined, interrupts undergraduate college attendance for the purpose of pursuing an undergraduate degree.

This bill would extend the duration of this entitlement until January 1, 2012. The bill would also extend this entitlement to members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in or who have completed a program of instruction in a vocational diploma program, as defined, where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Student Aid Commission.

(2) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Among other things, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires, until January 1, 2007, that a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty, as defined, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

This bill would extend the duration of this requirement until January 1, 2012.

(3) Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, for qualifying members of the National Guard, the State Military Reserve, and the Naval Militia as defined, who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state, who receive a loan under a designated loan program, and who complete a certain period of service as qualifying members. Under the National Guard Assumption Program of Loans for Education, a qualifying member is eligible to receive up to \$11,000 in loan assumption payments if he or she completes up to 4 years of qualifying service.

This bill would instead provide that the program is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia. The bill would authorize persons who otherwise qualify for participation in the program, and who are enrolled in, or have completed, a program of study in a qualifying vocational diploma program, to participate in the program.

The bill would require the Student Aid Commission to report annually to the Legislature regarding the total number of participants in the program, as well as the number of participants who receive a loan assumption benefit, classified by payment year, and categorized by age, ethnicity, and gender.

(4) Existing law, in effect until January 1, 2007, requests the Office of the Adjutant General to make copies of the enrollment fee waiver application of the Board of Governors of the California Community Colleges and the Free Application for Federal Student Aid (FAFSA) available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree. Existing law also requests the Office of the Adjutant General to assist these persons in completing these forms, as needed.

This bill would extend the operation of the provisions containing these requests until January 1, 2012.

(5) The bill would incorporate additional changes to Sections 66025.6 and 69751 of the Education Code proposed by AB 1997, to become operative only if AB 1997 and this bill are both chaptered and become effective on or before January 1, 2005, and this bill is chaptered last.



The people of the State of California do enact as follows:

SECTION 1. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) “Active duty” means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) “Qualifying member” means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled and in good standing in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2)



of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty. It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) The graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be, to the extent that it is feasible, the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of “active duty” and “qualifying member,” as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 1.5. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) “Active duty” means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) “Qualifying member” means a person who:

(A) Is a resident, as defined in Section 68017.



(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled in or has completed a program of instruction in a vocational diploma program as defined in Section 94746 where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission.

(b) (1) (A) Any qualifying member, and any member of the California National Guard, the State Military Reserve, or the Naval Militia who meets the qualifications of subparagraphs (A) and (B) of paragraph (2) of subdivision (a) and who is enrolled, and in good standing in a graduate program of instruction, who undertakes active duty is entitled to an academic leave of absence for any academic session that the person is unable to attend or complete because he or she is on active duty.

(B) It is the intent of the Legislature that a graduate or undergraduate student who is called to active military duty as a member of the California National Guard, the State Military Reserve, or the Naval Militia not be academically penalized as a result of any academic leave of absence that he or she takes in accordance with this paragraph.

(2) To the extent that it is feasible, graduation requirements for a qualifying member who, within one year of returning from active duty, resumes his or her studies at the same postsecondary educational institution shall be the same as the graduation requirements at the time the qualifying member initially enrolled.

(c) The Military Department shall determine whether an individual meets the requirements of “active duty” and “qualifying member,” as they are set forth in subdivision (a). The department shall issue a certificate to individuals who meet those requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 69433.4 of the Education Code is amended to read:

69433.4. (a) Notwithstanding any other provision of law, a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 3. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher education within this state, or who are enrolled in or have completed a program of instruction in a vocational diploma program, as defined in Section 94746, where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

SEC. 4. Section 69750.3 of the Education Code is amended to read:

69750.3. (a) A person who meets all of the following conditions is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5:

(1) The applicant agrees to enlist, or reenlist, in the National Guard, the State Military Reserve, or the Naval Militia.

(2) The applicant is enrolled in an institution of higher education or a vocational diploma program, as defined in Section 94746, that participates in the loan assumption program set forth in this article.

(3) In order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program as defined in Section 94746, the applicant has received, or is approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the Student Aid Commission.

(b) A person participating in the program pursuant to this article shall not be eligible to enter into more than one agreement under this article.

SEC. 5. Section 69750.5 of the Education Code is amended to read:



69750.5. The Student Aid Commission shall commence loan assumption payments, as required by Section 69750.7, upon receipt of a certificate from the Military Department verifying that the applicant has completed the enlistment and military service requirements, and upon determination that the applicant has otherwise met the requirements of the loan assumption agreement and all other conditions of this article.

SEC. 6. Section 69750.7 of the Education Code is amended to read:

69750.7. The terms of the loan assumption agreements granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one year of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, one year of additional service as, a qualifying member within the meaning of Section 66025.6, the Student Aid Commission shall assume up to two thousand dollars (\$2,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs.

(b) After a program participant has completed two consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, two consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to five thousand dollars (\$5,000).

(c) After a program participant has completed three consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, three consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one or more of the designated loan programs, for a total loan assumption of up to eight thousand dollars (\$8,000).

(d) After a program participant has completed four consecutive years of service as, or in the case of a participant who is eligible because he or she has agreed to reenlist, four consecutive years of additional service as, a qualifying member within the meaning of Section 66025.6, the commission shall assume up to a maximum of an additional three thousand dollars (\$3,000) of the participant's outstanding liability, related to qualifying undergraduate or vocational education, under one



or more of the designated loan programs, for a total loan assumption of up to eleven thousand dollars (\$11,000).

SEC. 7. Section 69751 of the Education Code is amended to read:

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary education institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

SEC. 7.5. Section 69751 of the Education Code is amended to read:

69751. (a) The Student Aid Commission shall administer this article, and, in consultation with the Military Department, shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a loan assumption agreement shall remain valid, the reallocation of funds that are not utilized, and the development of projections for funding purposes. The commission shall solicit the advice of representatives from postsecondary educational institutions regarding the proposed rules and regulations. The commission shall adopt initial regulations for the program within six months of the effective date of the initial appropriation funding the program.

(b) The Student Aid Commission shall work in conjunction with lenders participating in federal loan programs to develop a streamlined application process for participation in the program set forth in this article.

SEC. 8. Section 69751.3 of the Education Code is repealed.

SEC. 9. Section 69751.3 is added to the Education Code, to read:

69751.3. The Student Aid Commission shall report annually to the Legislature regarding program participation, including, but not necessarily limited to, both of the following, as categorized on the basis of age, ethnicity, and gender:

(a) The total number of participants in the program established by this article.



(b) The number of participants who receive a loan assumption benefit, classified by payment year.

SEC. 10. Section 981.8 of the Military and Veterans Code is amended to read:

981.8. (a) The Office of the Adjutant General is requested to annually make both of the following available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree:

(1) A copy of the enrollment fee waiver application of the Board of Governors of the California Community Colleges.

(2) A copy of the Free Application for Federal Student Aid (FAFSA).

(b) The Office of the Adjutant General is requested to provide assistance as necessary to help the members complete the forms made available to them under subdivision (a).

(c) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 11. Section 1.5 of this bill incorporates amendments to Section 66025.6 of the Education Code proposed by both this bill and Assembly Bill 1997. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 66025.6 of the Education Code, and (3) this bill is enacted after Assembly Bill 1997, in which case Section 1 of this bill shall not become operative.

SEC. 12. Section 7.5 of this bill incorporates amendments to Section 69751 of the Education Code proposed by both this bill and Assembly Bill 1997. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2005, (2) each bill amends Section 69751 of the Education Code, and (3) this bill is enacted after Assembly Bill 1997, in which case Section 7 of this bill shall not become operative.

